



Governor Douglas A. Ducey

State of Arizona

Department of Homeland Security



Director Gilbert M. Orrantia

INDIRECT COST RECOVERY POLICY

Effective 9-12-19

1. The Arizona Department of Homeland Security will require any subrecipient applying to recover indirect costs on Homeland Security Grant Programs (SHSGP, UASI, OPSG, NSGP) to obtain a federally approved indirect cost rate from its cognizant federal agency regardless of how much the subrecipient expends in federal funds annually (whether the subrecipient receives federal funds directly or only as a pass-through entity).
2. Only a federally approved plan and rate will be accepted.
3. The AZDOHS will require the submission of an approved rate during the application period; or if the rate is approved during the period of performance and the subrecipient wishes to amend an approved budget, when the amendment documents are submitted.
4. Indirect costs may be recovered only for the time period outlined in the approved rate plan or period of performance as it pertains to the grant program.
5. There will be no exceptions to this policy. Those agencies with an indirect cost plan that is not approved or requesting to recover the de minimis rate as outlined in 2 CFR 200 must get a rate approved by their cognizant federal agency.